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TO RUEHC/SECSTATE WASHDC PRIORITY 5080  
INFO RUEHOS/AMCONSUL LAGOS PRIORITY 0687  
RUEHZK/ECOWAS COLLECTIVE  
RUEATRS/DEPT OF TREASURY WASHDC  
RUCPDO/DEPT OF COMMERCE WASHDC  
RUEHRC/DEPT OF AGRICULTURE WASHDC

UNCLAS SECTION 01 OF 02 ABUJA 000122

SENSITIVE  
SIPDIS

DEPARTMENT PASS TO USTR AGAMA  
TREASURY FOR PETERS, IERONIMO AND HALL  
DOC FOR 3317/ITA/OA/KBURRESS  
AND 3130/USFC/OIO/ANESA/DHARRIS  
USDA/FAS/OTP FOR MCKENZIE  
DEPARTMENT PASS TO USAID/AFR FOR ATWOOD

E.O. 12958: N/A  
TAGS: [ECON](#) [EFIN](#) [EINV](#) [ENRG](#) [EAGR](#) [PGOV](#) [NI](#)  
SUBJECT: NIGERIA: YAR'ADUA'S NEW ECONOMIC TEAM

REF: A. ABUJA 101  
[1](#)B. ABUJA 79

[1](#)1. (SBU) Summary. On January 13, 2009 President Yar'Adua created a Presidential Steering Committee (PSC), which will coordinate the administrations economic strategy. It was announced that one of the purposes of the PSC is to assess the impact of the global financial crisis on Nigeria and recommend appropriate policy responses to stimulate the economy. The PSC is chaired by the President and its members include governors, cabinet ministers and respected members of the organized private sector. At the same time, a new National Economic Management Team (EMT) was formed, and is headed by the Minister of Finance Mukhtar. President Yar'Adua had pledged during his campaign to continue the economic reforms of former President Obasanjo and it was expected that a new EMT would be formed. Nearly 21 months later, the President has finally put together an EMT. The next step is for the EMT, led by the Minister of Finance, to develop an economic reform plan of action that can be approved by the PSC and implemented within the remaining two year term of the President. End Summary.

[1](#)2. (SBU) On January 13, President Yar'Adua appointed members to the Presidential Steering Committee (PSC). The PSC will be chaired by President Yar'Adua. Other members include: Governors Babatunde Fashola of Lagos State; Isa Yuguda of Bauchi State; Adams Oshiomole of Edo State; and Bukola Saraki of Kwara State; Minister of Finance Mansur Mukhtar; Minister of National Planning Shamsudeen Usman; Minister of Petroleum Rilwan Lukman; the Chief Economic Adviser to the President Tanimu Yakubu Kurfi; the Governor of the Central Bank Charles Soludo; the President of the National Economic Summit Group Sam Ohuabunwa; leading economist Bismark Rewane; Tony Elumelu representing the banking sector; and Alhaji Aliko Dangote representing large industrial firms. (Comment: In late August 2008, a Presidential Advisory Team was formed on the Nigerian Capital Market to formulate and implement medium to long term measures to stop the stock market decline. Also in September 2008, the Nigerian Security and Exchange Commission (SEC) commissioned a ten member committee of experts to review the stock market operations and craft policy reforms. So far no concrete reports have come out of either committee, and most of the individuals serving on these two committees are now listed on this Presidential Steering Committee. End Comment.)

[1](#)3. (U) The main purposes of the PSC are to:  
-- Assess the impact of the global economic crisis on Nigeria with focus on the annual budget, financial and commodity markets.  
-- Recommend appropriate macro-economic policy responses that can further stimulate the economy.  
-- Identify more practical measures aimed at boosting the confidence

of investors and increasing production in the real sector;  
-- Examine other related issues such as unemployment, poverty  
alleviation, food availability and ensure a sustainable debt  
position.  
-- Make recommendations on any other issues or actions that may be  
required to tackle the recession.

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PSC Meets  
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14. (U) President Yar' Adua inaugurated the PSC and presided over its  
first meeting on January 15. Following the meeting Governor Soludo  
told the media that the PSC discussed the petroleum subsidy, recent  
volatility in the naira exchange rate, credit to the economy to  
improve economic performance, tariffs, taxes, and investment in key  
sectors such as infrastructure and agriculture. He said "the task  
before the team is to respond as a team at the national level in a  
proactive manner in order to mitigate any potential effects of the  
current global economic and financial crisis on the Nigerian  
economy, to advise government and make recommendations on what  
measures that needs to be taken both at the national, state, and  
local government levels." The PSC is expected to meet again on  
January 20.

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Comment  
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15. (SBU) This move by the President is most likely due to public  
pressure to demonstrate economic leadership during the global  
financial crisis. For several months, government spokespersons,  
including the CBN Governor, had downplayed the impact of the global  
financial crisis, but it appears that the GON has changed direction.

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The proliferation of "special committees" does not necessarily  
translate into concrete and well-thought out action by the GON,  
however the combination of new ministers and increased focus on the  
economy may lead to much needed economic reforms.

16. (U) This message was coordinated with ConGen Lagos.

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